

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

200 W. Washington, Suite 301
Indianapolis, IN 46204
(317) 233-0696
<http://www.in.gov/legislative>

FISCAL IMPACT STATEMENT

LS 6637

BILL NUMBER: HB 1754

NOTE PREPARED: Dec 16, 2002

BILL AMENDED:

SUBJECT: Sales Tax Collection by Small Vendors.

FIRST AUTHOR: Rep. Pflum

FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: X GENERAL
X DEDICATED
FEDERAL

IMPACT: State

Summary of Legislation: This bill provides that a person who sells tangible property as part of a hobby is not selling at retail and is not liable for collecting the State Gross Retail Tax on Sales.

Effective Date: July 1, 2003.

Explanation of State Expenditures: This bill exempts infrequent sales that generate minimal income from the state Sales Tax, as determined by the Department of State Revenue. Any impact on state revenue is expected to be negligible.

P.L. 192-2002 (ss) increased the Sales Tax rate to 6% and modified the distribution of Sales Tax revenue. The increase became effective on December 1, 2002 and the distribution changes are effective January 1, 2003. After January 1, 2003, Sales Tax revenue will be deposited in the Property Tax Replacement Fund (50%), the State General Fund (49.192%), the Public Mass Transportation Fund (0.635%), the Commuter Rail Service Fund (0.14%), and the Industrial Rail Service Loan Fund (0.033%).

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: Department of State Revenue.

Local Agencies Affected:

Information Sources: Department of State Revenue.

Fiscal Analyst: John Parkey, 317-232-9854